

CENTRAL CHINA 32---# 263

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RE: Presentation (Sending) of Situation Estimate of
Central China Expeditionary Army.

JULY 24, 1939.

YOSHIMOTO, Sadaichi
Chief of Staff, Central China
Expeditionary Army.

TO: YAMAMOTO, Isatake
Vice-Minister of War

We are presenting (Sending) six copies, as enclosed, of
the subject matter.

"CENTRAL CHINA EXPEDITIONARY ARMY SITUATION ESTIMATE"

Dated: 20 July, 1939.

Issued by the Headquarters of the Central China Expeditionary Army and presented by YOSHINOBU, Sadaichi (Chief of Staff of the same Army).

To be distributed to the following:

The Vice-Chief of the Military General Staff. 6 copies

The Vice-Minister of War.

The Commander of the 11th Force.

The Commander of the North China Expeditionary Army.

The Commander of the "HANI" Air Group.

Duplicates (to be reserved for commanders, chiefs of staff, vice-chiefs of staff and departmental chiefs).

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Total 23 copies

DECISION

In order to meet a protracted war, this Army should gradually create conditions which can be long maintained and should continuously crush and destroy the fighting power of the enemy by direct action from the air and on the ground.

At the same time, by resorting to active political measures and stratagems, weaken the foundation of the enemy's spiritual and material powers of resistance. Especially as regards his political and economic organization. It is necessary to establish a new central government and bring it up so that a fundamental solution of the Incident can be hastened.

OUTLINE OF TRIASURIS

1. This Army will carry on its task, maintaining most of the present occupied areas. In the area allotted to the 11th Force, efforts will be made to concentrate our strength so that we can avail ourselves of every opportunity to crush the enemies around us. In the area allotted directly to this Army, especially the "triangular area", we will endeavour to attain the complete maintenance of order and peace. For this purpose, we will consider a partial operation against the strategic points around our occupied areas. We should try to prevent any worsening of the international situation which might affect adversely the solution of the Incident. However great the need may be, the withdrawal of the troops should not be made until after the beginning of the 15th year of Showa (1940) in consideration of the process of the establishment and growth of the new central government and anticipated time of the downfall of CHIANG's Government. However, this Army is always ready to be equal to any change in the international situation.
2. The army air forces, in cooperation with the naval air corps, will crush the enemy air and ground forces, by acting in concert with ground operations in and around the occupied area and at the same time will carry out attacks upon the strategic points in and around the occupied area and at the same time will carry out attacks upon the strategic points in the hinterland in order to terrorize the enemy's forces and civilians and so develop among them an anti-war pacifist tendency.
For an advancing operation into the hinterland, we shall carry out restricted operations for the purpose of obtaining strategic air bases.
3. This army will, in accordance with the principle of national economy, consider restricted operations for the purpose of making this area fully self-supporting as well as of obtaining the resources essential for national defence.
4. Efforts will be devoted to propaganda and conciliation, especially to the clarification and spreading of the principles and doctrines advocated by the new Central Government. Moreover, we will make the thought movement against Communism more active, and win the hearts of the people by rehabilitating them so that we may conciliate and organize them under the banner of the new Central Govt.

5. We will establish a new Central Government with WANG CHING-WEI as its head and give positive support to its development.
6. We will positively carry out stratagems of various kinds.
 1. As to military matters, we will conciliate both the regular and irregular forces, and will utilize them to complete and strengthen the power of self-protection of the new Central Government.
 2. Politically, we will carry out various plans following the policy shown in Clause V.
 3. As to economics, we will root out pro-CHIANG movements by Third Powers and obstruct production and circulation of essential resources inside the enemy's country, especially materials for munitions, necessities of life, commodities for export, etc. Moreover, we will continue the blockade of YANGTZE River and devote ourselves to driving out British influence along the same river.
 4. As to thought, we will organize and carry out people's movements, based on pro-Japanese anti-Communist, anti-British, Pacifist and Pan-Asiatic ideas.
7. In respect of all foreign settlements, especially the SHANGHAI settlement, we will take positive measures, acting in concert with the Central Office and encouraging the Chinese. For this purpose, the use of military force may be anticipated.
8. In view of the special nature of the present stage of the Incident, the Central Office should strengthen its capacity for carrying out economic and diplomatic projects on the spot as shown below, by acting in concert with the authorities concerned.
 1. Establish an organization for putting into effect projects connected with economic schemes and self-support of area controlled by this Army.
 2. Strengthen the diplomatic channels in this area both in quantity and quality so that diplomatic work in SHANGHAI can be carried on more actively.

EXPLANATION

1. It is recognized that the fighting power of the enemy facing this Army is at present rapidly dwindling and that they are not only incapable of carrying out organized positive operations, but also they are gradually falling into a state of degeneration and collapse.

The main cause rests rather in the power of resistance which should strengthen and support the first line troops,

weakening rather than any loss of fighting power on part of the latter.

For example, most of the leaders of the National Party Army have lost faith in the future of this war of resistance; officers of the central body have suffered loss and demoralization; bad relations exist between the National Party and Communist Party; internal troubles have arisen around peace problems; pacifist and anti-war feeling is rife among the people; insufficient support for CHIANG KAI SHEK is being received from other Powers, especially Britain and the Soviet; there is a lack of financial material and personnel resources; communication systems have been destroyed; and together with the destruction of the machinery of production supplies from the rear have been cut off. All the above are described in detail in a separate report entitled "A Study of the Fighting Power of the Chinese Forces."

We judge that it is impossible for the enemy now under such conditions to restore and prepare his counter-attacking power even if given some time for this purpose. Among the first line officers and men, especially the younger ones, there are not a few who, after years of incultation, have been led into the simple error of resisting Japan on a basis of national salvation, and who have a firm belief in final victory, having been deceived by the skilful propaganda. Even at the Supreme Command, some officers blindly believe false reports from the first line and misinformation from home and abroad, or force themselves to affirm such reports and information only for self-comfort and consequently are quite aware of their defeat. Therefore, first line enemy forces will not only never suffer an overall collapse but unless their organization is completely destroyed by direct attack, they can not be expected that they will surrender to us. But even such ignorant and bigoted persons will come to correct their errors of judgement when they become aware of the truth with the progress of time. If the National Govt. lose its authority over the people and its control is weakened, it can easily be imagined that those elements who have been aware of the truth of China's defeat and yet have been unable to realize their desire for an armistice will gradually rise up and will finally create a new general trend, strengthening their unification and increasing their power. In short, we expect that the military fighting power that is the source of the enemy's power of resistance is on its way to deterioration, and that finally the development of KANG CHING-KAI's "Peace and State Salvation" movement and the shortage of food and clothing will result in

sudden appearance of anti-CH'ING and peace movements under the conditions described above, even if we attempt to attain the object of war only by genuine strategic operations and plan to annihilate the enemy's military forces, attacking them so often at so many places, even at the border of TIBET, it would be impossible for us to achieve our final war objects because of the peculiar nature of the enemy country which possesses vast territory, rich resources, a big population, and yet no modern well unified national structure. Therefore, we do not, therefore, see any necessity for further strategic operations at present in view of the fact that we have already occupied the important parts of China and have administered a serious blow upon the main force of the National Party Army, to say nothing of the present pressing international situation.

Our military offensive, then, should be restricted only to operations necessary to bring pressure on the enemy or crush his attempts at counter-attacks, and for the maintenance of order and peace in the occupied area, especially in the "triangular zone", or again to operations which are part of our strategic plan. On the other hand, we should attempt to destroy the enemy's core of resistance in the rear by offensive operations consisting of political measures and stratagems. To deal with the enemy remnants in the occupied area, especially in the "triangular zone" of the lower YANGTZE River, we will disperse suitable troops and in addition we will enforce the maintenance of order and peace by consolidation of the occupied area, by organizing and strengthening various Chinese peace preservation groups by establishing defence installations and communication facilities, and by carrying out resolute and constant subjugation.

Our 11th Army which directly faces the centre of enemy resistance should dispose as big mobile units as possible so that they can, at anytime, break up any enemy counter-attacks in that area and so hasten the collapse of the enemy's first line groups. We expect to carry out partial offensive operations for the purpose of anticipating and breaking up enemy counter-attacks or of mopping up centres of disturbance of order and peace.

The army air forces, cooperating with the naval air forces and participating in ground operations in and around the occupied area, should destroy the enemy and his military

equipment and carry out offensive operations against the strategic points in the interior. As to the offensive operations against strategic points in the interior, there have been various different views about their value, but the great effect they have of creating anti-CHIANG feeling and a hatred of war does not need to be enlarged upon.

As long as CHIANG's authority is complete and anti-Japanese feeling of the people in general is tense, air-bombing, especially damage to innocent civilians maywell result in stimulating this anti-Japanese feeling, but with the people's gradual recognition of the disadvantages of a protracted war and with the tension created by anti-CHIANG feeling and hatred of war, we believe the effects of the air bombing will be rapidly intensified. Consequently, what we expect of offensive operations against the interior is the mental terror they will create among the enemy forces and civilians rather than the material damage inflicted direct upon enemy personnel or equipment.

We will wait and see them falling into nervous prostration in an excess of terror and madly starting anti-CHIANG and pacifist movements. It will be necessary, therefore, for us to adopt "mercy and sternness" methods, bombing as well as dropping necessities of life and propaganda leaflets.

3. If our Empire devotes herself to solving the Incident by using her entire strength with great determination, a part of the enemy's power will, as I shall describe later, unite with the Red Soviet and occupy some important part of the Continent in order to upset our sacred mission, but their actual ability must not be such as to create or lead any general trend, and consequently, we do not expect to have much difficulty in causing this "Holy War" to bear succulent fruit. It is thus absolutely necessary for us to prevent the international situation from so changing as to foil the complete solution of this Incident. The structure of the enemy's resistance is now standing on the brink of collapse, and with the birth of the new Central Govt. which is expected to appear shortly, the completion of our holy task which has been carried on with such tremendous sacrifice is steadily coming nearer. So our Empire should devote herself to accomplish her purpose at all costs and risks, preventing any failure at this extremely important movement. However great the need, the reorganizing and removal from Central China of military forces should not be made until after the beginning of the year 1940 in view of

the anticipated time of the downfall of CHIANG'S regime, and in view of the process of establishing and developing the new Central Govt. of the anticipated time and failure of the counter-attack operation by the National Party Army, known as the 2nd Term Force, and of various other circumstances.

4. CHIANG KAI-SHEK strengthened his own hegemony by compromising with the Communist Party under the cloak of "Founding the State through a War of Resistance", and during his war of resistance against Japan he utilized his old rivals the SHANSHI Army, the SHANTUNG Army, the old TU GPLI Army, the KWANGSI Army and the Szechwan Army as his own forces, sometimes availing himself of good chances to destroy their fighting power under the shell fire of our forces. It is judged that at present the Communist Party is under the control of the National Party too and has no capacity to create a new trend in the situation.

The general public, especially the young intelligentsia, affected by education and propaganda for many years, have very deep and keen racial consciousness and anti-Japanese feeling. We must therefore admit, although it is a matter of regret, that the political resistance power of CHIANG'S regime is still considerable. If it should happen that the CHUNGKING Government should split in the future, this would never arise from friction between the National Party and the Communist Party but might possibly occur as a result of some dispute between the jingoists and Pacifists, and it goes without saying that the entire Communist Party is a war party. Therefore, if we attempt to create a pacific trend, it is necessary to give all possible support to YANG CHING-WEI whose slogan is "Peace and State Salvation", and who intends to work for this purpose with our Army since as its vast stage. Although it is a fact, as I have already pointed out, that the Communist Party is now being utilized by CHIANG KAI-SHEK, we should make greater efforts to carry out our "thought" operations, against Communism since any machination which may result in an internal split in the CHIANG regime and provide a reason for the establishment of a new Central Govt. is of the first importance. Thus, if the pacifists gain the victory, CHIANG KAI-SHEK who is now barely holding his present position under the cloak of "Founding the State by Resistance" will necessarily collapse. The Communist Party together with other jingoistic groups will come under the sway of Soviet Russia, and will settle in the north-west region where, acting in concert with Outer Mongolia, it will continue to oppose our Asia Development Camp.

That is the reason why this Incident cannot be solved

merely by an armistice between Japan and China, and why it must take a considerable time before its complete settlement. Hence Japan, who aims at the establishment of a New Order of East Asia, must station her forces in the present occupied area for a long period, devoting herself to encouraging natural growth of a pro-Japanese Central Government and to economic reconstruction.

5. In order to deal with a protracted war, our Army should secure, with the support of powerful armed forces, all important political, economic and cultural points and lines, and develop various construction works in the occupied areas. It is also necessary for our Army to consider measures for the collection, production, and supply of all necessities for the front, and if possible, to transport essential resources to the homeland.

Moreover, necessary preparations will be required for military operations to obtain specific mineral resources in KIANGSI and YUNAN Provinces.

6. China has already lost most of her harbors, and her entire coast is being blockaded by our forces, so that it is not too much to say that she is now receiving no custom revenue. As a result of the abandonment of her territory after repeated defeats, her revenue from consolidated tax and salt tax has shown a very remarkable decrease, and she is now being compelled to depend upon foreign loans for her rapidly increasing military expenditure. The production of tea, paulownia oil, silk thread and specific minerals which are her main items for export have considerably decreased, and the shipping of these products has become so difficult that they can hardly be taken as security for foreign loans. Consequently, a foreign loan is now a matter of an entirely political nature and can be made only by Britain who has a common interest in the Chinese FAPI. It may be said, therefore, that material and financial support by Britain is the only big element that can control the enemy's power of resistance. In view of this fact, it is absolutely necessary for us, in order to destroy the economic and financial power of resistance of the CHIANG Government, to force Britain to give up her support of CHIANG KAI SHEK. As there is a probability that Britain will lose all her interests in China as a result of her support of CHIANG, it is possible

provided we adopt a strong attitude, to bring utilitarian Britain to reflect on the matter and change her policy.

7. The reason why China is still capable of continuing her resistance, although two full years have passed since the occurrence of the Incident, is exactly that she has succeeded in instilling the Chinese people with "heightened racial consciousness by means of the slogan of 'Founding the State by Resistance.'"

Therefore, if we desire the downfall of the CHUNGKING Government, we should try to estrange the Chinese people from CHUNGKING. We should grip and utilize the innermost racial consciousness of the people and, by controlling it, should develop their ability to undertake political activities. This is the reason why we claim that propaganda and cajolment is the foundation of our long-term task of reconstruction. It is also necessary for us to draft and clarify immediately the principles and platform of the new Central Govt. and make them the basis of our propaganda and cajolment. As our pro-Japanese and anti-Communist propaganda has not appealed to the minds of the Chinese people, much better creative devices will be required in future.

8. There is no doubt that the foreign settlements are disturbing the strengthening of discipline and order as well as affecting adversely economics and finance. To take some drastic measures against this state of affairs is the best way not only to fulfill the duty of the Army and maintain its existence, but also to make the Third power abandon their pro-CHUNGKING policy and so awaken China and the Chinese people from their ominous dream of "dependence upon Europe and America." Especially, the cleaning-up of the SHANGHAI settlement should be carried out immediately in order to hasten the accomplishment of the work of WANG CHING-WEI.

These views bring us to the conclusion that the problem of the foreign settlement is one of the most important questions relating to the construction of the New Order in East Asia and the creation of a union of East Asia, and it is our belief that the solution of this problem will constitute an important part of the settlement of the Incident. Therefore, we should be strongly determined to make positive use of armed forces as the situation demands.

9. We have no hesitation in saying that our political activities, especially those of a diplomatic and economic nature, towards the attainment of the military objectives of the Incident are so unsatisfactory, despite great progress in strategic operations, that they not only fail to utilize the results so gained but do not even manage to keep up with these successes. Therefore, we should say that it is our urgent duty to make our political moves much more active and effective in the occupied areas. It is especially necessary to establish, besides a liaison organ for the Developing Asia Board (KOAIN), an economic staff in the Army, consisting of capable persons well acquainted with the actual economic situation of the state and it is moreover necessary to strengthen the Imperial Japanese diplomatic organ at SHANGHAI in quality and size. These steps should be taken to establish more actively and effectively the self-sufficiency of our forces in the occupied areas as well as to intensify economic warfare, which is closely connected with the national economy.
